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中金投集团

China Financial Services Holdings Ltd

China Financial Services Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 605)

APPLICATION FOR THE ISSUANCE OF ASSET-BACKED SECURITIES BY CFSH URBAN DEVELOPMENT (BEIJING) SMALL LOAN CO., LTD.

This announcement is made by China Financial Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

CFSH Urban Development (Beijing) Small Loan Co., Ltd.* (北京中金城開小額貸款有限公司), an indirectly non wholly-owned subsidiary of the Company, has appointed Lianchu Securities (聯儲證券) for the application of the issuance of Asset-backed Securities on SSE. The Asset-backed Securities will be issued to Qualified Investors in PRC.

The completion of Asset-backed Securities is subject to regulatory approval, market conditions and interests of investors. CFSH Urban Development (Beijing) Small Loan Co., Ltd. intends to use the net proceeds of the proposed offer to develop its business in Beijing region.

LISTING

CFSH Urban Development (Beijing) Small Loan Co., Ltd. will seek for listing of its Asset-backed Securities on SSE.

The issuance of Asset-backed Securities is subject to the review and approval by SSE and market conditions, which may or may not proceed. Shareholders of the Company and potential investors should therefore exercise caution in dealing in the securities of the Company. Further announcement(s) regarding the developments of the issuance of Asset-backed Securities will be made by the Company as and when appropriate.

APPLICATION FOR THE ISSUANCE OF ASSET-BACKED SECURITIES

Introduction

Application is made by CFSH Urban Development (Beijing) Small Loan Co., Ltd., an indirectly non wholly-owned subsidiary of the Company, for the issuance of Asset-backed Securities on SSE. The Asset-backed Securities will be issued to Qualified Investors in PRC.

Reasons for the Application of the Issuance of Asset-backed Securities

The proposed issuance of Asset-backed Securities by CFSH Urban Development (Beijing) Small Loan Co., Ltd. is the first time that the Group issues public offering products in China capital market. If succeeded, it will demonstrate the recognition of China capital market on the asset quality of the Company's corporate credit and small loan businesses, which will benefit CFSH Urban Development (Beijing) Small Loan Co., Ltd.* (北京中金城開小額貸款有限公司) to continually improve asset turnover efficiency by means of asset securitization. It will also help the Group to further enhance the operating ability and profitability of its small loan business, facilitate the diversification of the Group's financing channels, lower financing costs, and thereby provide financial services for medium, small and micro-sized enterprises in a more efficient way.

Transaction Structure and Guarantee Measures of Asset-backed Securities

The proposed issuing size is RMB400,000,000 with a term of no more than 3 years. They are divided into Class Priority A Asset-backed Securities, Class Priority B Asset-backed Securities and Subordinated Asset-backed Securities according to the features of risks and returns. Class Priority A Asset-backed Securities and Class Priority B Asset-backed Securities are granted with "AAA" rating and "AA" rating respectively by Dagong Global. Beijing Zhongjintou Pawnshop Co., Ltd.* (北京中金投典當行有限公司), an indirectly wholly-owned subsidiary of the Company, undertakes the top-up payment obligation if the fund allocated to the securitization scheme at each period is insufficient to pay for the shortfall between the expected returns and/or the principal amount payable by the priority Asset-backed Securities. The Company shall provide irrevocable and unconditional joint-liability guarantee for the shortfall payment obligation by Beijing Zhongjintou Pawnshop Co., Ltd.

Listing

CFSH Urban Development (Beijing) Small Loan Co., Ltd. will seek for listing of and issuance of its Asset-backed Securities on SSE to Qualified Investors in PRC.

GENERAL INFORMATION

As the issuance is subject to the review and approval by SSE and market conditions, which may or may not proceed. Shareholders of the Company and potential investors should therefore exercise caution in dealing in the securities of the Company. Further announcement(s) regarding the developments of the issuance of Asset-backed Securities will be made by the Company as and when appropriate.

Should the proposed Asset-backed Securities be finally approved and successfully issued, it constitutes a notifiable transaction of the Company under the Listing Rules and it is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings listed out below unless the context specifies otherwise:

“Asset-backed Securities”	asset-backed securities of RMB400,000,000 intended to be issued by CFSH Urban Development (Beijing) Small Loan Co., Ltd.
“Asset Securitization Scheme”	Lianchu Securities – CFSH Urban Development Phase I asset securitization scheme of set up by Lianchu Securities, which is a special purpose vehicle for the issuance of Asset-backed Securities
“Beijing Zhongjintou Pawnshop Co., Ltd.”	Beijing Zhongjintou Pawnshop Co., Ltd.* (北京中 金投典當行有限公司), a company incorporated in Beijing with limited liability, an indirectly wholly-owned subsidiary of the Company and a shortfall payment entity of priority Asset-backed Securities

“CFSH Urban Development (Beijing) Small Loan Co., Ltd.”	CFSH Urban Development (Beijing) Small Loan Co., Ltd.* (北京中金城開小額貸款有限公司), a company incorporated in Beijing with limited liability, an indirectly non wholly-owned subsidiary of the Company and an originator of the Asset-backed Securities and an asset service agency
“Company”	China Financial Services Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange, and a guarantor of priority Asset-backed Securities
“Dagong Global”	Dagong Global Credit Rating Co., Ltd* (大公國際資信評估有限公司), a company incorporated in the People’s Republic of China with limited liability and a credit rating agency of Asset-backed Securities
“Group”	the Company and its subsidiaries, including CFSH Urban Development (Beijing) Small Loan Co., Ltd. and Beijing Zhongjintou Pawnshop Co., Ltd.* (北京中金融典當行有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lianchu Securities”	Lianchu Securities Co., Ltd., a company incorporated in the People’s Republic of China with limited liability, a service agency for the issuance and sales of Asset-backed Securities
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative region of the People’s Republic of China and Taiwan
“Qualified Investors ”	investors who can participate in the subscription and transfer of Asset-backed Securities as required by CSRC

“RMB”	Renminbi, the lawful currency of the PRC
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
China Financial Services Holdings Limited
Chung Chin Keung
Company Secretary

Hong Kong, 23 March 2017

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr Luo Rui (*Chief Executive Officer*)

Madam Guan Xue Ling

Mr Cheung Chai Hong

Non-executive Directors:

Mr Chan Yuk Ming (*Chairman*)

Mr Cheung Siu Lam

Mr Zhang Xiaobin

Madam Huang Mei

Independent Non-executive Directors:

Mr Chan Chun Keung

Mr Wang Jian Sheng

Mr Chan Wing Fai

Mr Zhang Xiao Jun

* *For identification purpose only*